

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
03-005

2. STATE
Alabama

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
August 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 430 Subpart B

7. FEDERAL BUDGET IMPACT:

a. FFY 03 \$ 0

b. FFY 04 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 2.2-A, page 12
Supplement 8a to Attachment 2.6-A, page 1
Supplement 8b to Attachment 2.6-A, page 2
Supplement 15 to Attachment 2.6-A, pages 1 and 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 2.2-A, page 12
Supplement 8a to Attachment 2.6-A, page 1
Supplement 8b to Attachment 2.6-A, page 2
Supplement 15 to Attachment 2.6-A, pages 1 and 2

10. SUBJECT OF AMENDMENT: The purpose of this amendment is to change the eligibility criteria for low income families with children certified under section 1931 of the Social Security Act to less restrictive income and resources methodologies than those used in 1996.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

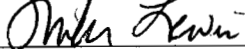
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Governor's designee on file
via letter with CMS

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Mike Lewis

14. TITLE:

Acting Commissioner

15. DATE SUBMITTED:

July 1, 2003

16. RETURN TO:

Mike Lewis
Acting Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

July 2, 2003

18. DATE APPROVED:

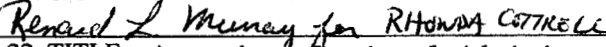
September 29, 2003

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

August 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Rhonda R. Cottrell

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

State: Alabama

Agency* Citation(s) Groups Covered

B. Optional Groups Other Than the Medically Needy (Continued)

42 CFR 435.220

6. ☐ Individuals who would be eligible for AFDC if their work-related child care costs were paid from earnings rather than by a State agency as a service expenditure. The State's AFDC plan deducts work-related child care costs from income to determine the amount of AFDC.

☐ The State covers all individuals as described above.

1902(a)(10)(A)
(ii) and 1905(a)
of the Act

☐ The State covers only the following group or groups of individuals:

☐ Individuals under the age of--

☐ 21
☐ 20
☐ 19
☐ 18

☐ Caretaker relatives

☐ Pregnant women

42 CFR 435.222

1902(a)(10)(A)(ii)(I)
1905(a)(i) of
the Act

7. ☒ a. All individuals who are not described in section 1902(a)(10)(A)(i) of the Act, who meet the income and resource requirements of the AFDC State Plan, and who are under the age of:

☐ 21
☐ 20
☒ 19
☐ 18

TN No. AL-03-05

Supersedes

TN No. AL-91-36

Approval Date 09/29/03 Effective Date 08/01/2003

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ALABAMA

MORE LIBERAL METHODS OF TREATING INCOME
UNDER SECTION 1902(r)(2) OF THE ACT*

☐ Section 1902(f) State ☒ Non-Section 1902(f) State

The consideration of in-kind support and maintenance in the income calculation is waived for determining eligibility of individuals and couples as Qualified Medicare Beneficiaries and Specified Low Income Medicare Beneficiaries.

Fluctuating income may be averaged for the past six months and projected for twelve months for determining eligibility of individuals and couples as Qualified Medicare Beneficiaries and Specified Low Income Medicare Beneficiaries.

Income will not be deemed from parents to pregnant women in determining the eligibility of individuals as pregnant women, infants, and children with income under the Federal Poverty Level.

For children under age 19 covered under the provisions of section 1902(a)(10)(A)(ii)(I), the following more liberal income methodologies are used to determine eligibility:

- All applicants and recipients with earnings will receive the earned income disregard of \$30 and a 1/3 of the remainder for 12 consecutive months.
- Net income for self-employment and farming will be calculated using Schedule C and Schedule F respectively.
- \$1 will be disregarded for all applicants and recipients.

*More liberal methods may not result in exceeding gross income limitations under section 1903(f).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Alabama

MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902(r)(2) OF THE ACT

Medicaid will not consider resources of a person equal to the amount of long-term care insurance benefit payments in determining Medicaid eligibility when the long-term care insurance policy covers at least the first three years of nursing home care and/or home health care services.

The exclusion shall be for the life of the purchaser provided he or she maintains obligations pursuant to the long-term care insurance policy.

Insurance benefit payments made on behalf of a claimant, for payment of long-term care services, shall be considered to be expenditures of resources as required for eligibility for medical assistance to the extent that the payments are all of the following:

- (1) For services Medicaid approves or covers for its recipients.
- (2) In an amount not in excess of the charges of the health services provider.
- (3) For nursing home care and/or home health care services.
- (4) For services provided after the person meets the coverage requirements for long-term care benefits established by the agency for this program.

For children under age 19 covered under the provisions of section 1902(a)(10)(A)(ii)(I), all resources are excluded.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Alabama

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the act.

The following groups were included in the AFDC State Plan effect July 16, 1996:

- ☐ Pregnant women with no other eligible children.
- ☐ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.
- ☐ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, without modification.
- ☒ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.
 - ☐ The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:
 - ☐ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:
 - ☐ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:
 - ☒ The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:
 - All resources are excluded
 - All applicants and recipients with earnings will receive the earned income disregard of \$30 and a 1/3 of the remainder for 12 consecutive months
 - Net income for self-employment and farming will be calculated using Schedule C and Schedule F respectively

- Disregard \$1 for all applicants and recipients

X The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

- Exclusion of one vehicle per licensed driver
- \$1,000 disregard of the equity value of countable resources with a \$1,000 resource limit
- The \$30 and 1/3 of the remainder earned income disregard for 4 months and the \$30 disregard for 8 months is applicable for certain applicants and recipients with earnings
- Use the farm income report or 45% of the gross income as a standard expense figure to determine net income exception use 2 cent per pound for net income from broilers and use the itemized expense method in determining net income
- Income limit for eligibility was less than the Medicaid Standard

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

_____ The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996, and approved by the Secretary on or before July 1, 1997.